



July 25, 2011

Mr. Patrick Mulligan, Financial Secretary  
Carpenters Local 22  
2085 Third Street  
San Francisco, CA 94107

Case Number: [REDACTED]  
LM Number: 518971

Dear Mr. Mulligan:

This office has recently completed an audit of Carpenters Local 22 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and Bookkeeper Mary Brust on July 20, 2011, the following problem was disclosed during the CAP. The matter listed below is not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

#### Record Keeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Local 22's 2010 records revealed the following recordkeeping violation:

#### Disposition of Property

Local 22 did not maintain an adequate inventory of hats, jackets, and other property it purchased, sold, or gave away. The union must report the value of any union property on hand at the beginning and end of each year in Item 28 of the LM-2. The union must retain

an inventory or similar record of property on hand to verify, clarify, and explain the information that must be reported in Item 28.

The union must record in at least one record the date and amount received from each sale of union hats, jackets and other items.

Based on your assurance that Local 22 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Carpenters Local 22 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,



Investigator

cc: Mr. James Halloran, President